Government of
Saskatchewan

Annual Report
1991-92

Tripartite Beef
Administration Board

Tripartite
Beef Administration Board
Annual Report
1991-92

Office
The Imperial Centre
410 McDonald Street
Regina, Saskatchewan S4N 6E1

93-00084/

Tripartite
Beef
Administration
Board

The Imperial Centre
410 McDonald Street
Regina, Canada
S4N 6E1

(306) 787-8886
Toll Free: 1-800-667-7553

Tripartite Beef Administration Board

To Her Honour,
The Honourable Sylvia O. Fedoruk, O.C., S.O.M.
Lieutenant Governor
Province of Saskatchewan

Madam:

I have the honour to submit herewith the Annual Report of the Tripartite Beef Administration Board for the twelve months ending March 31, 1992.

I have the honour to be, Madam,
Your obedient servant,

Bernhard H. Wiens,
Minister of Agriculture and Food

Tripartite
Beef
Administration
Board

The Imperial Centre
410 McDonald Street
Regina, Canada
S4N 6E1

(306) 787-8886
Toll Free: 1-800-667-7553

Tripartite Beef Administration Board

Honourable Bernhard H. Wiens
Minister of Agriculture and Food
Province of Saskatchewan

Sir:

I am pleased to present herewith the Annual Report of the Tripartite Beef Administration Board for the twelve months ending March 31, 1992.

Lynn Grant

Respectfully submitted,
Lynn Grant, Chairman
Tripartite Beef Administration Board

Board Personnel 1991-92

Board of Directors

Mr. Lynn Grant, Chairman	Val Marie
Mr. Brian Perkins	Saskatoon
Mr. Keith Howse	Pangman
Mr. Jim McGregor	Senlac
Ms. Cathy Warnyca	Montmartre
Ms. Kathy Martin	Silton
Mr. Gary Stevenson	Melfort

Senior Staff

Wes Mazer	General Manager
Lorraine Forsyth	Manager, Finance & Administration
Brian Webb	Programs Administrator
Randy Johnson	Manager, Information Systems

The Board employed a total of 24 full-time staff as of March 31, 1992.

Tripartite
Beef
Administration
Board

1991-1992 Report

The Tripartite Beef Administration Board was established on September 1, 1990 to administer the beef and honey options of the National Tripartite Stabilization Program. Prior to September 1, 1990 these programs were administered by the Saskatchewan Beef Stabilization Board.

National Tripartite Stabilization Programs

The National Tripartite Stabilization Programs were established by federal/provincial agreements. The programs have been implemented for the purpose of stabilizing market returns to producers.

The Beef and Honey programs are based on the following principles:

- All producers enrolled in a program shall receive the same level of support per unit of marketed production.
- Premiums will be shared by the Government of Canada, the Governments of participating provinces and participating producers.
- Producer participation is voluntary.
- The programs are designed to be actuarially sound.
- The programs should operate at a level that limits losses but does not stimulate production.
- A comparable level of support will be provided in all tripartite stabilization commodity plans.

National Committee Structure

The National Committee has equal representation from Federal and Provincial Governments and producer associations. Representation on the committee rotates among all participating provinces. All participants in the plan will be represented over the life of the plan.

In 1991-92 the Saskatchewan producer representatives on the beef and honey National Committee were Ian Thompson and Calvin Parsons respectively.

Support Calculations

Honey

The support price for honey is based on an indexed moving average price (IMAP). This is the national average price over the preceding seven years, adjusted for inflation. The support price is set at 90% of the IMAP. The percentage of IMAP may be changed at the discretion of the Committee as needed to keep the plan financially self-sustaining over time but it shall not exceed 90%.

Cow/Calf

The support level is based on 85% of the indexed moving average price (IMAP). The IMAP is the national average selling price of calves in the preceding ten years adjusted for inflation. The national average selling price of calves is the price of steer and heifer calves at representative markets selected by the committee. The national average price is calculated by weighting the average price at the public stockyards by the distribution of beef cow numbers. Support payments will be issued for any year that the national average selling price falls below the support level and will equal the difference between the two.

Feeder/Slaughter

The support level for feeder cattle equals the estimated national current cash costs of production in the month plus 85% of the difference between the national average cost of production and selling price of heavy feeder cattle in the same month for the preceding five years. This is called the guaranteed margin approach. The national cash costs of production are calculated from production models for raising long-keep heifers and steers weighted by the number of feeder cattle marketed across Canada. The national average selling price is the average price of heavy feeder heifers and steers in regionally representative markets selected by the Committee and weighted by the number of cattle sold in the various regions of Canada.

The support level for slaughter cattle is calculated in a similar manner except that the national cash costs of production are estimated from production models for raising short-keep and long-keep heifers and steers weighted by the number of federally and provincially

inspected heifers and steers slaughtered in eastern and western Canada. The national average selling price is the average price for all cattle grading A, B, and C Beef in regionally representative markets selected by the Stabilization Committee and weighted by the number of heifers and steers slaughtered in various regions in Canada.

After the end of each quarter, the Stabilization Committee announces the support level for feeder and slaughter cattle for each month of the quarter. Stabilization payments are triggered in any month the national average selling price falls below the support level.

Operations 1991-92

Administration

In 1991-92 the Board continued its efforts to keep producers well informed. In addition to regular newsletters, staff attended various producer meetings. Emphasis was placed on explaining the intricacies of Tripartite and the options available.

The Board continued to use advertising to attract new clients. The Board acquired a Tripartite display booth, in conjunction with the SPI Marketing Group and the Saskatchewan Sheep Development Board. The booth was manned by Tripartite staff at several agricultural events including Agribition. A brochure was developed and distributed to extension offices and at producer meetings. The above efforts assisted in gaining new enrollments in the cow-calf, feeder, and slaughter options.

The Board developed detailed Service Standards and Strategies based on input from staff and clients. These were communicated to all clients.

The Board was able to meet all nationally set deadlines due to modifications to administrative procedures and to the in-house computer program. These efficiencies allowed for the Board to reduce the size of its staff complement by year end.

Compliance

In 1991-92 honey, cow/calf and feeder-slaughter audits were conducted. The audits included a count of the producer's inventory. This count was then reconciled to the inventory reported on the registration forms. The purpose of the audits is to ensure the information producers report is accurate and the National Tripartite Stabilization Program regulations are adhered to.

The number of honey and cow/calf audits required in 1991-92 was lower than in 1990-91 as audit results indicated a high degree of adherence to regulations by producers.

PROGRAM STATISTICS

Premiums and Stabilization Payouts

SLAUGHTER OPTION				
QTR/YR	PREMIUM RATE PER HEAD	PAYOUT PER HEAD		
		MONTH 1	MONTH 2	MONTH 3
Q2 91	$8.10	$0.00	$0.00	$0.00
Q3 91	$8.10	$33.68	$98.09	$131.06
Q4 91	$8.10	$137.53	$189.67	$132.86
Q1 92	$8.10	$90.25	$17.13	$0.00

COW/CALF PLAN		
YEAR	PREMIUM PER HEAD	PAYOUT PER HEAD
1991	$9.00	$0.00

FEEDER OPTION				
QTR/YR	PREMIUM RATE PER HEAD	PAYOUT PER HEAD		
		MONTH 1	MONTH 2	MONTH 3
Q2 91	$5.50	$0.00	$0.00	$0.00
Q3 91	$5.50	$0.00	$0.00	$0.00
Q4 91	$5.50	$11.44	$51.59	$55.34
Q1 92	$4.85	$68.01	$54.13	$31.35

HONEY PLAN		
YEAR	PREMIUM PER LB.	PAYOUT PER LB.
1990	$0.015	$0.00
1991	$0.015	$0.00

Enrollment Information

FEEDER/SLAUGHTER		
	1991/92	1990/91
NO. ENROLLMENT	1,523	1,528
ANIMALS ENROLLMENT	210,462	198,087
ELIGIBLE SALES	182,678	181,162

COW/CALF		
	1991	1990
PRODUCERS ENROLLED	1,384	1,511
TOTAL COWS ENROLLED	87,377	88,457

HONEY PLAN					
YEAR	ACTIVE ENROLLMENTS	TOTAL NTSP SALES (POUNDS)	TOTAL NTSP PRODUCTION (POUNDS)	TOTAL SASK. PRODUCTION (POUNDS)	% ENROLLED IN NTSP
1990	114	10,800,766	10,325,618	14,880,000	69.39%
1991	99	10,347,946	9,621,912	17,000,000	56.60%

Tripartite
Beef
Administration
Board

Tripartite Beef Administration Board

Financial Statements
For the Year ended March 31, 1992

Office of the Provincial Auditor
Regina, Saskatchewan

Tripartite Beef Administration Board

Auditor's Report

To the members of the Legislative Assembly of Saskatchewan.

I have audited the balance sheet of the Tripartite Beef Administration Board as at March 31, 1992 and the statements of revenue, expenditure and surplus and the changes in financial position for the year then ended. These financial statements are the responsibility of the Board's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Board as at March 31, 1992 and the results of its operations and the changes in its financial position for the year then ended in accordance with the accounting principles disclosed in Note 1 to the financial statements.

W.K. Strelioff

Regina, Saskatchewan
April 30, 1992

W.K. Strelioff, C.A.,
Provincial Auditor

Statement 1

Tripartite Beef Administration Board
Balance Sheet

As at March 31

ASSETS

	1992	1991
Current assets:		
Cash	$339,606	$754,743
Accounts receivable:		
- Due from Saskatchewan Agriculture and Food	-	113,303
- Due from (to) Saskatchewan Beef Stabilization Board	113,452	(474,631)
- Accrued interest	18,979	12,385
- Miscellaneous	11,957	17,447
Prepaid Expenses	758	-
	484,752	423,247
Fixed assets (Notes 1(b) and 4)	187,984	177,016
	$672,736	$600,263

LIABILITIES AND EQUITY

Current liabilities:		
Accounts payable	$134,460	$ 60,625
Equity:		
Equity in Fixed Assets	187,984	177,016
Surplus (Statement 2)	350,292	362,622
	$672,736	$600,263

(See accompanying notes to the financial statements)

Statement 2

Tripartite Beef Administration Board
Statement of Revenue, Expenditure and Surplus

For The Year Ended March 31

	1992	Seven Months Ended 1991
Revenue:		
Department of Agriculture & Food - administration grant (Note 3)	$ 997,062	$1,164,494
Interest	121,992	82,847
	1,119,054	1,247,341
Expenditure:		
Salaries and employee benefits	907,527	462,512
Office supplies	81,665	76,952
Communications	39,176	26,524
Legal	27,567	5,735
Compliance per diem and travel	20,032	9,546
Advertising and promotion	11,059	3,999
Capital Expenditures	10,968	181,886
Staff development and subscriptions	8,247	6,238
Travel and sustenance	7,698	4,643
Computer services	7,508	76,366
Delivery	3,500	2,214
Directors' honoraria and travel	2,780	5,270
Repairs and maintenance	1,743	6,011
Insurance	1,673	1,732
Consultant Fees	200	-
Miscellaneous	41	83
Computer maintenance	-	11,841
Relocation expense	-	3,167
	1,131,384	884,719
Excess of (expenditure over revenue) revenue over expenditure	(12,330)	362,622
Surplus, beginning of year (Note 3)	362,622	-
Surplus, end of year	$ 350,292	$ 362,622

(See accompanying notes to the financial statements)

Statement 3

Tripartite Beef Administration Board
Statement of Changes in Financial Position

For The Year Ended March 31

	1992	Seven Months Ended 1991
Cash provided by (used in) operating activities:		
Excess of (expenditure over revenue) revenue over expenditure	$ (12,330)	$362,622
Changes in non-cash working capital items:		
(Increase) decrease in accounts receivable	(475,884)	331,496
Increase in prepaid expenses	(758)	-
Increase in accounts payable	73,835	60,625
	(415,137)	754,743
Cash position, beginning of year	754,743	-
Cash position, end of year	$339,606	$754,743

(See accompanying notes to the financial statements)

Tripartite Beef Administration Board
Notes to the Financial Statements

March 31, 1992

1. Significant Accounting Policies

These financial statements have been prepared in accordance with accounting policies that are considered appropriate for organizations of this type. The significant accounting policies are as follows:

(a) Accrual Accounting
The financial statements are prepared on the accrual basis of accounting.

(b) Fixed Assets
Equipment, leasehold improvements, computer software, computer software development costs and computer hardware are expensed in the year they are acquired. Fixed assets and equity in fixed assets are recorded on the balance sheet at cost and no depreciation is recorded; maintenance and repairs are charged against operations as incurred.

(c) Tripartite Stabilization Trust Fund
The Tripartite Stabilization Trust Fund was established to collect premiums from producers and forward the funds to the Federal Farm Financial Programs Directorate. Premium receivables are recorded on the date they become payable to the Board.

2. Incorporation

The Tripartite Beef Administration Board was established under the provisions of The Farm Financial Stability Act to administer the National Tripartite Honey and Beef Stabilization Programs as of September 1, 1990. The National Tripartite Honey and Beef Stabilization Programs were formerly administered by The Saskatchewan Beef Stabilization Board.

3. Prior Period Adjustment

The financial statements for the seven months ended March 31, 1991 have been restated due to an error in recording administration grant revenue from the Department of Agriculture and Food. The statement of Revenue, Expenditure and Surplus has been restated for 1991 to increase both the administration grant and the excess of revenue over expenditure by $362,622. The balance sheet as at March 31, 1991 has been restated to eliminate deferred revenue of $362,622 and to record surplus of $362,622.

4. Fixed Assets and Equity in Fixed Assets

The additions and disposals are as follows:

	1992			1991
	Additions	Disposals	Equity	Equity
Office equipment	$ -	$ -	$ 33,502	$ 33,502
Leasehold improvements	-	-	12,557	12,557
Computer hardware	3,625	-	101,721	98,096
Computer software	7,343	-	40,204	32,861
	$10,968	$ -	$187,984	$177,016

5. Tripartite Stabilization Trust Fund Premiums

The funds collected and submitted to the Federal Farm Financial Programs Directorate are:

	1992				1991
	Honey	Feeder/ Slaughter	Cow/Calf	Total	Total
Beginning cash balance	$ 21,450	$1,164,209	$ 71,236	$1,256,895	$ -
Receipts	172,587	1,742,733	817,729	2,733,049	2,149,932
Disbursements	(123,009)	(2,771,753)	(802,405)	(3,697,167)	(702,031)
Others	(573)	(17,710)	(835)	(19,118)	(191,006)
Ending cash balance	$ 70,455	$ 117,479	$ 85,725	$ 273,659	$1,256,895

The assets and liabilities held for the Federal Farm Financial Programs Directorate are:

	1992	1991
Trust Fund Assets		
Cash	$273,659	$1,256,895
Accounts receivable - Producers (net of allowance)	49,923	254,560
	$323,582	$1,511,455
Trust Fund Liabilities		
Federal Farm Financial Program Directorate	$288,405	$1,055,229
Due to Saskatchewan Agriculture and Food	35,177	444,459
Other	-	11,767
	$323,582	$1,511,455

6. Related Party Transactions

(a) Included in these financial statements are income and expense amounts resulting from routine operating transactions conducted at prevailing market prices with various Saskatchewan-controlled departments, agencies and corporations with which the Board is related.

Account balances resulting from these transactions are included on the balance sheet and are settled on normal trade terms.

(b) Costs borne by other agencies
The Board has not been charged with certain occupancy costs and no provision for these costs is shown in the financial statements.

7. Contingency

The Tripartite Beef Administration Board has been named as a defendant in a law suit. The outcome of this law suit is not determinable at this time. Any payment arising from this law suit will be a charge on operations of the Board in the year in which it is settled.

8. Comparative Figures

Certain 1991 balances have been reclassified to conform with the current year's presentation.